

_____ BILL NO. _____

INTRODUCED BY _____
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE MANDATORY AMOUNT OF COVERAGE IN
A MOTOR VEHICLE LIABILITY INSURANCE POLICY; AMENDING SECTION 61-6-103, MCA; AND
PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 61-6-103, MCA, is amended to read:

"61-6-103. Motor vehicle liability policy defined. (1) A "motor vehicle liability policy", as the term is
used in this part, means an owner's or operator's policy of liability insurance, certified as provided in 61-6-133
or 61-6-134 as proof of financial responsibility and issued, except as otherwise provided in 61-6-134, by an
insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named
~~therein~~ in the policy as insured.

(2) The owner's policy of liability insurance must:

(a) designate by explicit description or by appropriate reference all motor vehicles with respect to which
coverage is thereby to be granted; and

(b) insure the person named ~~therein~~ in the policy and any other person, as insured, using any motor
vehicle or motor vehicles with the express or implied permission of the named insured, against loss from the
liability imposed by law for damages arising out of the ownership, maintenance, or use of the motor vehicle or
motor vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of
interest and costs, with respect to each motor vehicle, as follows:

(i) ~~\$25,000~~ \$50,000 because of bodily injury to or death of one person in any one accident and subject
to ~~said~~ the limit for one person;

(ii) ~~\$50,000~~ \$100,000 because of bodily injury to or death of two or more persons in any one accident;
and

(iii) \$10,000 because of injury to or destruction of property of others in any one accident.

(3) An operator's policy of liability insurance must insure the person named as insured ~~therein~~ against
loss from the liability imposed upon ~~him~~ the insured by law for damages arising out of the use by ~~him~~ the insured

1 of any motor vehicle not owned by ~~him~~ the insured, within the same territorial limits and subject to the same
2 limits of liability ~~as are~~ set forth ~~above~~ in subsection (2)(b) with respect to the operator's policy of liability
3 insurance.

4 (4) A motor vehicle liability policy must state the name and address of the named insured, the coverage
5 afforded by the policy, the premium charged ~~therefor~~ for the coverage, the policy period, and the limits of liability
6 and contain an agreement or be endorsed that insurance is provided ~~thereunder~~ in accordance with the
7 coverage defined in this part ~~as respects~~ with respect to bodily injury and death or property damage, or both,
8 and is subject to all the provisions of this part.

9 (5) A motor vehicle liability policy ~~need~~ is not required to insure any liability under any workers'
10 compensation law or any liability on account of bodily injury to or death of an employee of the insured while
11 engaged in the employment, other than domestic, of the insured or while engaged in the operation, maintenance,
12 or repair of a motor vehicle or any liability for damage to property owned by, rented to, in charge of, or
13 transported by the insured.

14 (6) A motor vehicle liability policy is subject to the following provisions, which need not be contained
15 ~~therein~~ in the policy:

16 (a) The liability of the insurance carrier with respect to the insurance required by this part becomes
17 absolute whenever injury or damage covered by the motor vehicle liability policy occurs. The policy may not be
18 canceled or annulled as to the liability by any agreement between the insurance carrier and the insured after the
19 occurrence of the injury or damage. ~~No~~ A statement made by the insured or on ~~his~~ the insured's behalf and ~~no~~
20 a violation of the policy may not defeat or void the policy.

21 (b) The satisfaction by the insured of a judgment for the injury or damage may not be a condition
22 precedent to the right or duty of the insurance carrier to make payment on account of the injury or damage.

23 (c) The insurance carrier has the right to settle any claim covered by the policy, and if the settlement
24 is made in good faith, the amount is deductible from the limits of liability specified in subsection (2)(b).

25 (d) The policy, the written application ~~therefor~~ for the policy, if any, and any rider or endorsement ~~which~~
26 that does not conflict with the provisions of this part constitute the entire contract between the parties.

27 (7) A motor vehicle policy is not subject to cancellation, termination, nonrenewal, or premium increase
28 ~~due to~~ because of injury or damage incurred by the insured or operator unless the insured or operator is found
29 to have violated a traffic law or ordinance of the state or a city, is found negligent or contributorily negligent in
30 a court of law or by the arbitration proceedings contained in ~~chapter 5 of Title 27,~~ chapter 5, or pays damages

1 to another party, whether by settlement or otherwise. ~~In no event may a~~ A premium may not be increased during
2 the term of the policy unless there is a change in exposure.

3 (8) Any policy ~~which~~ that grants the coverage required for a motor vehicle liability policy may also grant
4 any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy, and
5 the excess or additional coverage is not subject to the provisions of this part. With respect to a policy ~~which~~ that
6 grants the excess or additional coverage, the term "motor vehicle liability policy" applies only to that part of the
7 coverage ~~which~~ that is required by this section.

8 (9) Any motor vehicle liability policy may provide that the insured shall reimburse the insurance carrier
9 for any payment the insurance carrier would not have been obligated to make under the terms of the policy
10 except for the provisions of this part.

11 (10) Any motor vehicle liability policy may provide for the prorating of the insurance ~~thereunder~~ under
12 the policy with other valid and collectible insurance.

13 (11) The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more
14 insurance carriers, which policies together meet ~~such~~ those requirements.

15 (12) Any binder issued pending the issuance of a motor vehicle liability policy fulfills the requirements
16 for ~~such~~ a policy.

17 (13) A reduced limits endorsement may not be issued by any company to be attached to any policy
18 issued in compliance with this section."

19
20 NEW SECTION. Section 2. Applicability. [This act] applies to motor vehicle liability insurance policies
21 issued or renewed on or after [the effective date of this act].

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